

✓ CF EARTHQUAKE - 1989 Watsonville Rebuilding R.P. 4/6/92

Unions make a quid pro quo offer of assistance

By BOB SMITH
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Standing in front of the shored-up facade of the old County Bank building on Santa Cruz's Pacific Garden Mall, union leaders yesterday pledged \$7 billion in loans to help rebuild the earthquake-shattered downtowns of Watsonville and Santa Cruz.

The loans, to be made from the pension funds of several building trade unions, would be available at interest rates of 10¼ percent to 10¾ percent to anyone who promises to use 100 percent union labor to rebuild damaged or destroyed buildings, according to the union officials.

Ironically, the press conference was nearly drowned out by the roar of a non-union-operated backhoe that was busily scooping debris out of the

basement pit of the old County Bank building.

The setting was an obvious attempt by union officials to emphasize their interest in capturing much of the rebuilding jobs for union contractors and their unionized employees.

The 1870s vintage building had been severely damaged in the Oct. 17 earthquake and its current owners, Pacific Western Bank, hired non-union contractor Tom Hopkins to stabilize the ornate brick and sandstone facade while demolishing the rest of the building.

Hopkins and Donald L. Wolfe, regional manager of Associated Builders and Contractors, an industry group representing non-union employers in the building industry, showed up at the press conference to present their side of the issue.

Santa Cruz County Supervisors' Chairman Robley Levy Wednesday morning put the total damage and destruction for Santa Cruz County at nearly \$1 billion, so the union financing offer could rebuild far more than Santa Cruz County. ♦

Forrest Bayer, assistant business manager for the International Brotherhood of Electrical Workers, said the trade unions, including the electricians, sheetmetal workers, carpenters, laborers, pipefitters and plumbers, operating engineers and teamsters, have joined to offer the below-market-rate loans through their pension funds.

"The only restriction," said Bayer, sometimes bellowing to be heard over the roar of the nearby construction equipment, "is that it must be completed by 100 percent union labor."

And although yesterday's announcement was made in Santa Cruz, Bayer said the money is available for any commercial, multi-residential, housing subdivision or even single home project of more than \$100,000 in Santa Cruz County.

A presentation was made to Santa Cruz businessmen yesterday morning and union officials will make the same presentations in Watsonville, if asked.

The union financing offer might not be such a bargain, countered Hopkins and Wolfe.

The two claimed that property owners could pay more for their new building, even with the discounted pension-fund loan.

Saying they offered many of the same perks as their union competitors, Wolfe said the cost of a non-union job is 15 percent to 20 percent less.

Hopkins pointed to the delicately braced and shored-up old bank building as an example of non-union labor.

"Our workers are quite competent," Hopkins said proudly.

Although there were only a handful of workers in evidence yesterday afternoon, Hopkins said that 20 men worked on the building stabilization and demolition at its peak.

Right now, Hopkins said, the goal is to make the facade safe enough to reopen Cooper and Pacific Streets to one lane of traffic.

What will happen to the old building and who will finally do the work is something Hopkins couldn't answer. He expressed surprise at claims by Bayer that Pacific Western Bank officials had promised that union labor would be used to rebuild the razed building.